

SAGRAD INC

General Terms and Conditions of Purchase

Supplement 2 – Department of Defense FAR Supplement (DFARS) Government Contract Provisions

1. When the products or services furnished are for use in connection with a U.S. Government Department of Defense prime contract or subcontract, in addition to the Sagrad General Purchase Order Terms and Conditions and the Supplement 1 FAR provisions, the following provisions shall apply, as required by the terms of the prime contract or by operation of law or regulation. The effective version of each Department of Defense FAR Supplement (hereinafter “DFARS”) clause shall be the same version as that which appears in Buyer’s prime contract (as amended) or higher tier subcontract (as amended) under which this Order is a subcontract. For the acquisition of commercial items under Orders placed in support of, and charged to, a U.S. Government Department of Defense prime contract or subcontract, the only DFARS clauses that are flowed down are those required by a particular DFARS clause to be flowed down, and those clauses are annotated with *. For the definition of a commercial item, see FAR 2.101.
2. In the event of a conflict between these DFARS provisions, or the Supplement 1 FAR provisions, and the General Purchase Order Terms and Conditions, the DFARS provisions shall control.
3. To the extent applicable, Seller shall insert these provisions in selected lower tier subcontracts, either verbatim or in substance, and by incorporation-by-reference or otherwise, as appropriate.
4. In all clauses listed herein, the terms “Government,” “Contracting Officer” and “Contractor” shall be deemed revised to suitably identify the contracting parties herein and effect the proper intent of the provision except where further clarified or modified below. “Subcontractor,” however, shall mean “Seller’s Subcontractor” under the Order.
5. If any DFARS clauses do not apply to a specific Order, such clauses are considered self-deleting.

A. Applicable to All Purchase Orders

252.203-7002*	Requirement to Inform Employees of Whistleblower Rights
252.204-7000*	Disclosure of Information
252.204-7009*	Limitations on the Use or Disclosure of Third-Party Contractor Reported Cyber Incident Information (applies if Order is for services that include support for the Government’s activities related to safeguarding covered defense information and cyber incident reporting)

- 252.204-7010* Requirement for Contractor to Notify DoD if the Contractor's Activities are Subject to Reporting Under the U.S.-International Atomic Energy Agency Additional Protocol (applies to subcontracts that are subject to the provisions of the U.S.-International Atomic Energy Agency Additional Protocol)
- 252.204-7012* Safeguarding Covered Defense Information and Cyber Incident Reporting (applies to Orders for operationally critical support or for which performance will involve a covered contractor information system)
- 252.204-7014* Limitations on the Use or Disclosure of Information by Litigation Support Contractors
- 252.204-7015* Disclosure of Information to Litigation Support Contractors
- 252.204-7018* Prohibition on the Acquisition of Covered Defense Telecommunications Equipment or Services
- 252.204-7020* NIST SP 800-171 DOD Assessment Requirements (applies to Orders issued under prime contracts awarded on or after November 30, 2020; does not apply to COTS items)
- 252.208-7000* Intent to Furnish Precious Metals as Government-Furnished Material
- 252.211-7003* Item Unique Identification and Valuation (applies if the Order requires the Work to contain "unique item identification"; items subject to unique item identification are identified elsewhere in this Order; all reports required to be submitted under this clause shall be made through Buyer's Purchasing Representative)
- 252.222-7000 Restrictions on Employment of Personnel
- 252.223-7001* Hazard Warning Labels (applies if this Order requires delivery, treatment, or disposal of hazardous materials)
- 252.223-7002* Safety Precautions for Ammunition and Explosives (applies if the Order involves ammunition or explosives; "Government" means "Government and Buyer"; any communication to the Contracting Officer shall be through Buyer's Purchasing Representative; delete "prime" in paragraph (g)(1)(ii) and add "and Buyer's Purchasing Representative," and delete "substituting its name for references to the Government")
- 252.223-7003* Change in Place of Performance – Ammunition and Explosives (applies if DFARS 252.223-7002 applies to this Order; "Government" shall mean "Government or Buyer")
- 252.223-7006 Prohibition on Storage, Treatment, and Disposal of Toxic and Hazardous Materials (applies to Orders which require, or may require, access to a DoD installation)

- 252.223-7007* Safeguarding Sensitive Conventional Arms, Ammunition, and Explosives (applies if Order is for the development, production, manufacture, or purchase of arms, ammunition, and explosives or when arms, ammunition, and explosives will be provided to Seller as Government Furnished Property)
- 252.223-7008* Prohibition of Hexavalent Chromium
- 252.225-7001* Buy American and Balance of Payments Program (applies if the Work contains other than domestic components; applies in lieu of FAR 52.225-1)
- 252.225-7002 Qualifying Country Sources as Subcontractors
- 252.225-7007* Prohibition on Acquisition of United States Munitions List Items from Communist Chinese Military Companies (applies if Seller is supplying items on the U.S. Munitions list)
- 252.225-7012* Preference for Certain Domestic Commodities
- 252.225-7013 Duty-Free Entry (applies in lieu of FAR 52.225-8; if the prime contract number and identity of the Contracting Officer is not available, contact Buyer's Purchasing Representative)
- 252.225-7016 Restriction on Acquisition of Ball and Roller Bearings (applies if Work supplied under this Order contains ball or roller bearings)
- 252.225-7019* Restriction on Acquisition of Anchor and Mooring Chain (applies to Orders for items containing welded shipboard anchor and mooring chain, 4-inches or less in diameter)
- 252.225-7025 Restriction on Acquisition of Forgings (applies to Orders for forging items)
- 252.225-7027* Restriction on Contingent Fees for Foreign Military Sales (applies to Orders for Foreign Military Sales)
- 252.225-7028* Exclusionary Policies and Practices of Foreign Governments (applies to Orders for Foreign Military Sales)
- 252.225-7030* Restriction on Acquisition of Carbon, Alloy, and Armor Steel Plate (applies to Orders that (1) require delivery to the Government of carbon, alloy, or armor steel plate that will be used in a Government-owned facility or (2) require contractors operating in a Government-owned facility or a facility under the control of the DoD to purchase carbon, alloy, or armor steel plate)
- 252.225-7031* Secondary Arab Boycott of Israel
- 252.225-7036 Buy American – Free Trade Agreements – Balance of Payments Program
- 252.225-7047 Exports by Approved Community Members in Performance of the Contract (if

	Order may require exports or transfers of qualifying defense articles)
252.225-7048	Export-Controlled Items
252.227-7013*	Rights in Technical Data – Noncommercial Items (applies in lieu of FAR 52.227-14)
252.227-7014*	Rights in Noncommercial Computer Software and Noncommercial Computer Software Documentation (applies in lieu of FAR 52.227-14)
252.227-7015*	Technical Data – Commercial Items (applies whenever any technical data related to commercial items developed in any part at private expense will be provided under this Order for delivery to the Government)
252.227-7016	Rights in Bid or Proposal information (no substitutions for “Government” or “Contracting Officer” are made)
252.227-7017	Identification and Assertion of Use, Release, or Disclosure Restrictions
252.227-7018	Rights in Noncommercial Technical Data and Computer Software – Small Business Innovation Research (SBIR) Program
252.227-7019*	Validation of Asserted Restrictions – Computer Software (applies to Orders where computer software will be furnished to the Government)
252.227-7020	Rights in Special Works
252.227-7025	Limitations on the Use or Disclosure of Government-Furnished Information Marked with Restrictive Legends (in paragraph (c), “Government” means “Government and Buyer”)
252.227-7026	Deferred Delivery of Technical Data or Computer Software
252.227-7027	Deferred Ordering of Technical Data or Computer Software
252.227-7028	Technical Data or Computer Software Previously Delivered to the Government (the definitions for “contract” and “subcontract” shall not apply herein, except for the first reference to the contract; “Government” means “Government or Buyer”)
252.227-7030	Technical Data- Withholding of Payment (in paragraph (b), “Government” means “Government or Buyer”)
252.227-7033	Rights in Shop Drawings
252.227-7037*	Validation of Restrictive Markings on Technical Data (no substitutions for “Government” or “Contracting Officer” are made)
252.227-7038	Patent Rights - Ownership by Contractor (Large Business) (applies if Seller is not

a small business or nonprofit organization subject to FAR 52.227-11 and the Order is for experimental, developmental, or research work)

- 252.227-7039 Patents – Reporting of Subject Inventions (applies to Orders that will include FAR 52.227-11)
- 252.228-7001 Ground and Flight Risk (applies to Orders for the acquisition, development, production, modification, maintenance, repair, flight, or overhaul of aircraft unless an exception listed at DFARS 228.370(b)(1) applies)
- 252.228-7005 Accident Reporting and Investigation Involving Aircraft, Missiles, and Space Launch Vehicles (in paragraph (a), communications to the Contracting Officer shall go through Buyer’s Purchasing Representative; in paragraph (b), “Government” means “Government and Buyer”)
- 252.229-7004 Status of Contractor as a Direct Contractor (Spain)
- 252.229-7011 Reporting of Foreign Taxes – U.S. Assistance Programs (if Order exceeds \$500.00)
- 252.235-7003 Frequency Authorization (applies if this Order requires developing, producing, constructing, testing, or operating a device requiring a radio frequency authorization)
- 252.236-7013* Requirement for Competition Opportunity for American Steel Producers, Fabricators and Manufacturers (applies only to Orders that involve the acquisition of steel as a construction material)
- 252.237-7019* Training for Contractor Personnel Interacting with Detainees (applies only to Orders that may require Seller’s personnel to interact with detainees in the course of their duties)
- 252.237-7023 Continuation of Essential Contractor Services
- 252.239-7010* Cloud Computing Services (applies if Order involves or may involve cloud services)
- 252.239-7016 Telecommunications Security Equipment, Devices, Techniques and Services (applies to all Orders requiring securing telecommunications)
- 252.239-7018* Supply Chain Risk (applies if Order involves the development or delivery of any information technology, whether acquired as a service or as a supply; “Government” means “Government or Buyer”)
- 252.243-7001 Pricing of Contract Modifications
- 252.244-7000* Subcontracts for Commercial Items

- 252.246-7001 Warranty of Data
- 252.246-7003* Notification of Potential Safety Issues (applies if this Order is for (i) parts identified as critical safety items; (ii) systems and subsystems, assemblies, and subassemblies integral to a system; or (iii) repair, maintenance, logistics support, or overhaul services for systems and subsystems, assemblies, subassemblies, and parts integral to a system; Seller shall provide notifications to Buyer and the Contracting Officer identified to Seller)
- 252.246-7007* Contractor Counterfeit Electronic Part Detection and Avoidance System (applies to Orders for electronic parts or assemblies containing electronic parts)
- 252.246-7008* Sources of Electronic Parts (applies to Orders for electronic parts or assemblies containing electronic parts, including for commercial items, unless the Seller is the original manufacturer)
- 252.247-7024* Notification of Transportation of Supplies By Sea

B. Orders Over the Simplified Acquisition Threshold (“SAT”) Shall Also Include the Following:

- 252.203-7001 Prohibition on Persons Convicted of Fraud or Other Defense Contract-Related Felonies (“Government” is not changed throughout this clause; the terms “contract,” “contractor,” and “subcontract” shall not change in meaning in paragraphs (a) and (d); delete paragraph (g); in paragraph (e), the remedies described in subparagraphs (2) and (3) are available to Buyer not the Government; in paragraph (f), communication to the Contracting Officer shall go through Buyer’s Purchasing Representative)
- 252.223-7999 Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors (DEVIATION 2021-O0009) (OCT 2021) (applies to Orders issued at any tier that exceed the SAT on the date of Order award, and are for services, including construction, performed in whole or in part within the United States or its outlying areas)
- 252.225-7008 Restriction on Acquisition of Specialty Metals (applies to Orders for delivery of specialty metals as end items)
- 252.225-7009* Restriction on Acquisition of Certain Articles Containing Specialty Metals (applies if aircraft, missile or space systems, ships, tank or automotive items, weapon systems, or ammunition contain specialty metals; delete paragraphs (d) and (e)(1))
- 252.225-7052* Restriction on the Acquisition of Certain Magnets, Tantalum, and Tungsten (applies to Orders for items containing a covered material, including the acquisition of commercial items)
- 252.247-7023* Transportation of Supplies By Sea (applies in lieu of FAR 52.247-64 in all Orders

for ocean transportation of supplies; in the first sentence of paragraph (g), add a period after "Contractor" and delete the balance of the sentence; paragraphs (f) and (g) shall not apply if the Order is less than or equal to the SAT)

C. Orders Over \$500,000 Shall Also Include the Following:

- 252.226-7001* Utilization of Indian Organizations, Indian-Owned Economic Enterprises, and Native Hawaiian Small Business Concerns (Buyer shall have no liability to Seller for any incentive payment under this clause unless and until the Government provides said incentive payment to Buyer)
- 252.249-7002* Notification of Anticipated Contract Termination or Reduction (applies to Orders that equal or exceed \$700,000; delete paragraph (d)(1); Seller's requirements are listed at paragraph (d)(2))

D. Orders Over \$750,000 Shall Also Include the Following:

- 252.219-7003 Small Business Subcontracting Plan (DoD Contracts) (applies if FAR 52.219-9 applies to this Order; for Orders over \$750,000; does not apply to small business concerns)

E. Orders Over \$1,000,000 Shall Also Include the Following:

- 252.222-7006 Restrictions on the Use of Mandatory Arbitration Agreements (the certification in paragraph (b)(2) applies to both Seller and to Seller's covered subcontractors)
- 252.225-7033 Waiver of United Kingdom Levies (applies if this Order is with a UK firm)

F. Orders Over \$6,000,000 Shall Also Include the Following:

- 252.203-7004 Display Hotline Posters (applies in lieu of FAR 52.203-14; does not apply to Orders for commercial items)

G. Orders Performed Outside the United States Shall Also Include the Following:

- 252.225-7040* Contractor Personnel Authorized to Accompany U.S. Armed Forces Deployed Outside the United States (if the conditions of paragraph (q) apply)
- 252.225-7043* Antiterrorism/Force Protection Policy for Defense Contractors Outside the United States